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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 CLOANTO CORPORATION, *et al.*,

11 Plaintiffs,

12 v.

13 HYPERION ENTERTAINMENT CVBA,

14 Defendant.
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Case No. C18-381 RSM

ORDER RE: ORDER TO SHOW CAUSE

16 This matter comes before the Court *sua sponte*. On January 17, 2020, the Court issued
17 an Order to Show Cause seeking answers to procedural questions related to the parallel action in
18 Case No. 19-cv-00683-RSM. Dkt. #83. The Court reviewed the procedural history of these
19 cases and stated that it “does not see how it can proceed in both cases simultaneously as rulings
20 in one may adversely affect the other.” *Id.* The parties were asked 1) why these cases should
21 or should not be consolidated and 2) why Case No. 19-cv-00683-RSM should or should not be
22 stayed pending the resolution of the instant action.
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25 The parties each believe these cases should not be consolidated for their own different
26 reasons. *See* Dkts. #86 and #87. The Court agrees that consolidation is not a viable solution,
27 particularly given the vastly different procedural postures of the two cases.
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1 In answer to the second question, Defendant Hyperion states that the parties are actively
2 engaged in settlement discussions and that staying Case No. 19-cv-00683-RSM could 1) allow
3 the parties to resolve both cases outside the courtroom, 2) reduce the chance of delaying the
4 instant matter, and 3) avoid the Court reaching inconsistent results. Dkt. #87. Plaintiffs, on the
5 other hand, state that the instant matter is “a long way from being resolved” and that granting
6 default judgment in Case No. 19-cv-00683-RSM would “resolve two crucial factual issues that
7 significant simplify the [instant] litigation.” Dkt. #86 at 5.

9 Plaintiffs believe that Defendant Hyperion’s default in Case No. 19-cv-00683-RSM
10 means that certain issues in this case need not be further litigated. The Court disagrees.
11 Defendant Hyperion’s default in the other matter does not automatically resolve factual issues
12 in this pending case. The Court would prefer to resolve factual and legal issues on the merits
13 and to avoid inconsistent rulings. Plaintiffs have not offered any other satisfactory reason to
14 permit these two cases to continue simultaneously. Because the instant matter is so far along
15 procedurally, the Court finds that Case No. 19-cv-00683-RSM can be stayed without
16 significantly prejudicing any party and the Court will do so by separate order.
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19 Finally, Plaintiffs request the Court order the parties to participate in alternative dispute
20 resolution. Dkt. #86 at 6. The Court does not believe that such is required at this point, as the
21 parties have recently participated in settlement discussions and can continue to do so
22 voluntarily.
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24 DATED this 12th day of February 2020.

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27 RICARDO S. MARTINEZ
28 CHIEF UNITED STATES DISTRICT JUDGE